

SPECIAL TARIFF POSITION OF PHILIPPINES

*Exchange of notes at Washington May 4 and October 3, 1946, modifying treaty of October 14, 1881
Entered into force October 3, 1946*

61 Stat. 2451; Treaties and Other
International Acts Series 1572

The Acting Secretary of State to the Yugoslav Chargé d'Affaires ad interim

DEPARTMENT OF STATE

WASHINGTON

May 4, 1946

SIR:

With reference to the forthcoming independence of the Philippines on July 4, 1946, my Government considers that provision for a transitional period for dealing with the special tariff position which Philippine products have occupied for many years in the United States is an essential accompaniment to Philippine independence. Accordingly, under the Philippine Trade Act approved April 30, 1946,¹ goods the growth, produce or manufacture of the Philippines will enter the United States free of duty until 1954, after which they will be subject to gradually and regularly increasing rates of duty or decreasing duty-free quotas until 1974 when general rates will become applicable and all preferences will be completely eliminated.

Since the enactment of the Philippine Independence Act approved March 24, 1934,² my Government has foreseen the probable necessity of providing for such a transitional period and has since then consistently excepted from most-favored-nation obligations which it has undertaken toward foreign governments advantages which it might continue to accord to Philippine products after the proclamation of Philippine independence. Some thirty instruments in force with other governments, for example, permit the continuation of the exceptional tariff treatment now accorded by my Government to Philippine products, irrespective of the forthcoming change in the Commonwealth's political status.

¹ 60 Stat. 141.

² 48 Stat. 456.

With a view, therefore, to placing the relations between the United States and Yugoslavia upon the same basis, with respect to the matters involved, as the relations existing under the treaties and agreements referred to in the preceding paragraph, my Government proposes that the most-favored-nation provisions of the Treaty for Facilitating and Developing Commercial Relations between the United States and Yugoslavia signed October 2/14, 1881,³ shall not be understood to require the extension to Yugoslavia of advantages accorded by the United States to the Philippines.

In view of the imminence of the inauguration of an independent Philippine Government, I should be glad to have the reply of your Government to this proposal at an early date.

Accept, Sir, the renewed assurances of my high consideration.

DEAN ACHESON
Acting Secretary of State

Dr. SERGIJE MAKIEDO,
Chargé d'Affaires ad interim of Yugoslavia.

The Yugoslav Ambassador to the Acting Secretary of State

EMBASSY OF THE FEDERAL PEOPLE'S
REPUBLIC OF YUGOSLAVIA
WASHINGTON

Pov. Br. 1297

SIR:

I have the honor to inform you that the Government of the Federal People's Republic of Yugoslavia has accepted the proposal of the Government of the United States of America that the most-favored-nation provisions of the Treaty for Facilitating and Developing Commercial Relations between the United States and Yugoslavia signed October 2/14, 1881, shall not be understood to require the extension to Yugoslavia of advantages accorded by the United States to the Philippines.

Accept, Sir, the renewed assurances of my high consideration.

WASHINGTON, *October 3, 1946*

S. N. KOSANOVIĆ
Ambassador of Yugoslavia

The Honorable
the Acting Secretary of State,
Washington, D.C.

³ TS 319, *ante*, p. 1227.